

Entered April 22, 1969
QLP

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4092
Order No. R-3735

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR A CAPACITY ALLOWABLE,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 9, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of April, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Phillips Petroleum Company, com-
pleted its U. S. Minerals Well No. 4, located in the SW/4 SE/4
of Section 30, Township 17 South, Range 33 East, NMPM, Maljamar
Grayburg-San Andres Pool, Lea County, New Mexico, February 20,
1969.

(3) That the applicant seeks assignment of a special allow-
able to the subject well authorizing said well to produce at its
capacity.

(4) That the subject well is adjacent to the Southeast
Maljamar Unit Waterflood Project, to the north and east, operated
by Cities Service Oil Company.

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(5) That water injection has been conducted continuously since September, 1967, in the Southeast Maljamar Unit Well No. 1-1, located in the NW/4 SE/4 of said Section 30.

(6) That water injection has been conducted continuously since December, 1967, in the Southeast Maljamar Unit Well No. 1-3, located in the SE/4 SE/4 of said Section 30.

(7) That said U. S. Minerals Well No. 4 was completed with a calculated productivity of 240 barrels of oil per day and 144 barrels of water per day.

(8) That the subject well is capable of producing in excess of the current top unit allowable for a well in the Maljamar Grayburg-San Andres Pool.

(9) That there is a possibility that the subject well has received a response from the injection of water in the aforesaid Wells Nos. 1-1 and 1-3.

(10) That if the subject well is receiving a response from said injection, there is a possibility that oil will be swept past the subject well to the south and west where it may never be recovered, thereby resulting in waste.

(11) That it is not presently possible to determine that the subject well has received a response from the injection of water in the aforesaid Wells Nos. 1-1 and 1-3, located to the north and east.

(12) That there is a possibility that the SW/4 SE/4 of said Section 30 will be unitized with acreage to the north and east in the Cities Service-operated Southeast Maljamar Unit.

(13) That unitization of the SW/4 SE/4 of said Section 30 with the acreage to the north and east in the Cities Service-operated Southeast Maljamar Unit would tend to protect correlative rights and to eliminate the possibility of waste as the subject well would then be eligible to share in the Cities Service-operated Southeast Maljamar Unit Waterflood Project allowable.

(14) That in order to avert the possibility of the unrecoverable loss of oil pending negotiations for said unitization, the applicant should be allowed to produce its U. S. Minerals Well No. 4 at its maximum capacity for a temporary 30-day period.

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(15) That approval of the subject application will prevent waste in permitting the production of oil that may not otherwise be recovered and will not violate correlative rights.

IT IS THEREFORE ORDERED:

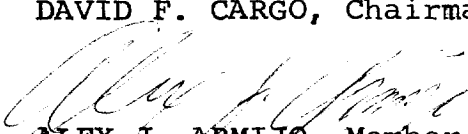
(1) That the applicant, Phillips Petroleum Company, is hereby authorized to produce its U. S. Minerals Well No. 4, located in the SW/4 SE/4 of Section 30, Township 17 South, Range 33 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, at its maximum capacity for a temporary period not to exceed 30 days from the date of this order.


(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

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